

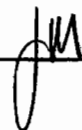
APPROVED BY SENATE
MINORITY ATTORNEY



APPROVED
HOUSE DEM. ATTY.



APPROVED BY SENATE
MAJORITY ATTORNEY



CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1510

EHB 1510 - 1

04/29/2007, 9:43 PM

CC151001.001

Citations Affected: IC 4-30-9-5; IC 4-32.2; IC 4-33; IC 5-10; IC 5-14-3-2; IC 6-2.5-8-7; IC 6-8.1-3-20; IC 7.1-2-3-10; IC 7.1-3; IC 35-45; IC 35-47-4.5-3; IC 4-32.2-5-7; IC 35-33-5-5.1.

Synopsis: Gaming. PROPOSED CONFERENCE COMMITTEE REPORT TO HB 1510. Establishes the license control division and the gaming control division within the gaming commission. Makes numerous changes to the laws concerning charity gaming licenses and the participants in charity gaming. Authorizes the gaming commission to issue an annual license permitting a qualified organization to sell pull tabs, punchboards, and tip boards at any time on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization. Authorizes an annual charity game night license. Specifies that pre-elementary childhood development programs and state educational institutions are qualified organizations. Specifies the conditions for conducting raffles and door prize drawings applicable to a candidate's committee. Makes certain changes concerning manufacturers and distributors of charity gaming supplies. Permits certain rent expenses to be deducted from gross revenues for purposes of calculating fees for renewing charity gaming licenses. Authorizes the revocation of a lottery retailer's contract with the lottery commission, a charity gaming license, a retail merchant's certificate, a tobacco sales certificate, or an alcoholic beverage permit for certain criminal violations. Provides that a second unrelated conviction for professional gambling, maintaining a professional gambling site, or promoting professional gambling is a Class C felony rather than a Class D felony. Authorizes the possession of an antique slot machine that is used for decorative, historic, or nostalgic purposes. Provides that possessing an electronic gaming device is a Class A infraction. Provides that knowingly or intentionally accepting or offering to accept, for profit, money or other property risked in gambling on an electronic gaming device maintained by the person is maintaining a professional gambling site, a Class D felony. **(This conference committee report does the following: (1) removes transfers from the build Indiana fund; (2) establishes the license control division and the gaming control division within the gaming commission; (3) removes certain restrictions on the employment of the executive director of the gaming commission; (4) removes provisions concerning a special prosecuting attorney for gaming enforcement; (5) authorizes the possession of an antique slot machine that is used for decorative, historic, or nostalgic purposes; (6) removes**



provisions concerning electronic gaming devices and provides that possessing an electronic gaming device is a Class A infraction; (7) provides that knowingly or intentionally accepting or offering to accept, for profit, money or other property risked in gambling on an electronic gaming device maintained by the person is maintaining a professional gambling site, a Class D felony; (8) requires a consolidation of enforcement against licensed entities engaged in unlawful gambling under the terms of a memorandum of understanding between the participating agencies; (9) allows employees of organizations holding PPT licenses to sell the pull tabs, punchboards, and tipboards without working the requisite hours to be considered full-time employees; (10) clarifies provisions in the criminal gambling statutes concerning arcade games; (11) specifies that professional gambling and maintaining a professional gambling site are included in the definition of racketeering activity; (12) specifies the conditions under which the gaming commission may hold public hearings on a renewal of an annual bingo license; (13) permits certain rent expenses to be deducted from gross revenues for purposes of calculating fees for renewing charity gaming licenses; (14) includes pre-elementary childhood development programs in the definition of bona fide educational organizations; (15) expands the uses for which money in the charity gaming enforcement fund may be used to include the activities of the license control division and the gaming control division within the gaming commission; and (16) makes technical corrections.)

Effective: Upon passage; July 1, 2007.



CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1510 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-30-9-5 IS AMENDED TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 2007]: Sec. 5. A contract executed by the
- 4 commission under this chapter must specify the reasons for a
- 5 suspension or termination of the contract by the commission, including
- 6 the following:
- 7 (1) Commission of a violation of this article, IC 35-45-5-3,
- 8 IC 35-45-5-3.5, IC 35-45-5-4, or a rule adopted under this article.
- 9 (2) Failure to accurately account for lottery tickets, revenues, or
- 10 prizes as required by the commission.
- 11 (3) Commission of a fraud, deceit, or misrepresentation.
- 12 (4) Insufficient sale of tickets.
- 13 (5) Conduct prejudicial to public confidence in the lottery.
- 14 (6) A material change in a matter considered by the commission
- 15 executing the contract with the retailer.
- 16 SECTION 2. IC 4-32.2-1-1, AS ADDED BY P.L.91-2006,
- 17 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JULY 1, 2007]: Sec. 1. (a) This article applies only to a qualified

organization.

(b) This article applies only to the following approved gambling events conducted as fundraising activities by qualified organizations:

(1) Bingo events, charity game nights, door prize events, raffle events, festivals, and other gaming events approved by the commission. ~~and~~

(2) The sale of pull tabs, punchboards, and tip boards:

(A) at bingo events, charity game nights, door prize events, raffle events, and festivals conducted by qualified organizations; or

(B) at any time on the premises owned or leased by a qualified organization and regularly used for the activities of the qualified organization.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

(c) This article does not apply to a promotion offer subject to IC 24-8.

SECTION 3. IC 4-32.2-1-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. A bingo event, charity game night, door prize drawing, or raffle, **festival event, or other charity gambling event licensed under IC 4-32.2-4-16** is not allowed in Indiana unless it is conducted by a qualified organization in accordance with this article.

SECTION 4. IC 4-32.2-2-7, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. "Bona fide educational organization" means an organization that is not for pecuniary profit and that meets the following criteria:

(1) The organization's primary purpose is educational in nature.

(2) The organization's constitution, articles, charter, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.

(3) The organization is designed to develop the capabilities of individuals by instruction in a public or private:

(A) **pre-elementary educational development program;**

(B) elementary or secondary school; or

~~(B)~~ (C) college or university.

SECTION 5. IC 4-32.2-2-15, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. "Door prize" means a prize awarded to a person based solely upon the person's **paid** attendance at ~~an~~ a **charity fundraising** event or the purchase of a ticket to attend ~~an~~ a **charity fundraising** event.

SECTION 6. IC 4-32.2-2-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18.5. "Full-time employee" means an individual who:

(1) is and has been employed by a particular qualified organization for at least ninety (90) consecutive days as of the date of the qualified organization's allowable event; and

(2) works at least an average of thirty-two (32) hours per week or one thousand six hundred sixty-two (1,662) hours per year for the qualified organization in a capacity that is primarily unrelated to the qualified organization's charity gaming operations.

SECTION 7. IC 4-32.2-2-18.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.7. "Key person" means any:**

- (1) officer;
- (2) director;
- (3) executive;
- (4) employee;
- (5) trustee;
- (6) substantial owner;
- (7) independent owner; or
- (8) agent;

of a business entity that has the power to exercise management or operating authority over the business entity or its affiliates.

SECTION 8. IC 4-32.2-2-20.5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 20.5. "Member" means any of the following:**

- (1) An individual entitled to membership in a qualified organization under the bylaws, articles of incorporation, charter, or rules of the qualified organization.
- (2) A member of the qualified organization's auxiliary.
- (3) In the case of a qualified organization that is a **public or nonpublic school** (as defined in IC 20-18-2-12), **either any of the following:**
 - (A) A parent of a child enrolled in the school.
 - (B) A member of the school's parent organization.
 - (C) A member of the school's alumni association.
 - (D) **An employee of the school.**
 - (E) **An officer of the school.**
 - (F) **A student enrolled in the school.**
- (4) **A member of a qualified organization's board of directors or board of trustees.**

SECTION 9. IC 4-32.2-2-21.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21.5. "PPT license" refers to a license issued to a qualified organization under IC 4-32.2-4-16.5.**

SECTION 10. IC 4-32.2-2-24, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 24. (a) "Qualified organization" means:**

- (1) a bona fide religious, educational, senior citizens, veterans, or civic organization operating in Indiana that:
 - (A) operates without profit to the organization's members;
 - (B) is exempt from taxation under Section 501 of the Internal Revenue Code; and
 - (C) has been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at least five (5) years; or

(2) a bona fide political organization operating in Indiana that produces exempt function income (as defined in Section 527 of the Internal Revenue Code); or

(3) a state educational institution (as defined in IC 20-12-0.5-1).

(b) For purposes of IC 4-32.2-4-3, a "qualified organization" includes the following:

(1) A hospital licensed under IC 16-21.

(2) A health facility licensed under IC 16-28.

(3) A psychiatric facility licensed under IC 12-25.

(4) An organization defined in subsection (a).

(c) For purposes of IC 4-32.2-4-10, a "qualified organization" includes a bona fide business organization.

SECTION 11. IC 4-32.2-2-27.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 27.5. "Substantial owner" means:**

(1) a person holding at least a five percent (5%) ownership interest; or

(2) an institutional investor holding at least a fifteen percent (15%) ownership interest;

in a business entity.

SECTION 12. IC 4-32.2-2-30, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 30. "Worker"** means an individual who helps or participates in any manner in ~~preparing for, conducting or assisting in conducting cleaning up after, or taking any other action in connection with~~ an allowable event under this article.

SECTION 13. IC 4-32.2-3-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3. (a)** The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which charity gaming in Indiana may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of charity gaming.

(4) Establishing rules concerning inspection of qualified organizations and the review of the licenses necessary to conduct charity gaming.

(5) Imposing penalties for noncriminal violations of this article.

(6) Establishing standards for independent audits conducted under IC 4-32.2-5-5.

(b) The commission may adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(1) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(2) an emergency rule is likely to address the need.

SECTION 14. IC 4-32.2-3-4, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2007]: Sec. 4. (a) The commission has the sole authority to license entities under this article to sell, distribute, or manufacture the following:

(1) Bingo cards.

(2) Bingo boards.

(3) Bingo sheets.

(4) Bingo pads.

(5) Pull tabs.

(6) Punchboards.

(7) Tip boards.

(8) Any other supplies, devices, or equipment designed to be used in allowable events designated by rule of the commission.

a licensed supply.

(b) Qualified organizations must obtain the materials described in subsection (a) **licensed supplies** only from an entity licensed by the commission.

(c) The commission may not limit the number of qualified entities licensed under subsection (a).

(d) The commission may deny a license to an applicant for a license to sell, manufacture, or distribute licensed supplies if the commission determines that at least one (1) of the following applies with respect to the applicant:

(1) The applicant has:

(A) violated a local ordinance, a state or federal statute, or an administrative rule or regulation and the violation would cause the commission to determine that the applicant, a key person, or a substantial owner of the applicant is not of good moral character or reputation; or
(B) committed any other act that would negatively impact the integrity of charity gaming in Indiana.

(2) The applicant has engaged in fraud, deceit, or misrepresentation.

(3) The applicant has failed to provide information required by this article or a rule adopted under this article.

SECTION 15. IC 4-32.2-3-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The commission shall charge appropriate fees to the following:

(1) An applicant for a license to conduct an allowable event.

(2) An applicant seeking a license to distribute bingo supplies, pull tabs, punchboards, or tip boards: **a licensed supply.**

(3) An applicant seeking a license to manufacture bingo supplies, pull tabs, punchboards, or tip boards: **a licensed supply.**

SECTION 16. IC 4-32.2-4-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. **The commission may deny a license to an organization if the commission determines that at least one (1) of the following applies with respect to the organization:**

(1) The organization has:

(A) violated a local ordinance, a state or federal statute, or

an administrative rule or regulation and the violation would cause the commission to determine that the applicant, a key person, or a substantial owner of the applicant is not of good moral character or reputation; or (B) committed any other act that would negatively affect the integrity of charity gaming in Indiana.

(2) The organization has engaged in fraud, deceit, or misrepresentation.

(3) The organization has failed to provide information required by this article or a rule adopted under this article.

(4) The organization has failed to provide sufficient information to enable the commission to determine that the organization is a qualified organization.

SECTION 17. IC 4-32.2-4-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A qualified organization is not required to obtain a license from the commission if the value of all prizes awarded at the bingo event, charity game night, raffle event, or door prize event, **festival event, or other event licensed under section 16 of this chapter**, including prizes from pull tabs, punchboards, and tip boards, does not exceed one thousand dollars (\$1,000) for a single event and not more than three thousand dollars (\$3,000) during a calendar year.

(b) A qualified organization ~~described in subsection (a)~~ that plans to hold a bingo **an allowable event described in subsection (a)** more than one (1) time a year shall send an annual written notice to the commission informing the commission of the following:

(1) The estimated frequency of the planned ~~bingo~~ **allowable** events.

(2) The location or locations where the qualified organization plans to hold the ~~bingo~~ **allowable** events.

(3) The estimated ~~amount of revenue expected to be generated by~~ **value of all prizes awarded at each bingo allowable event**.

(c) The notice required under subsection (b) must be filed before the earlier of the following:

(1) March 1 of each year.

(2) One (1) week before the qualified organization holds the first ~~bingo~~ **allowable** event of the year.

(d) A qualified organization **that conducts an allowable event** described in subsection (a) shall maintain accurate records of all financial transactions of ~~an the event. conducted under this section.~~ The commission may inspect records kept in compliance with this section.

SECTION 18. IC 4-32.2-4-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The commission may issue a bingo license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The commission may hold a public hearing to obtain input on

the proposed issuance of an annual bingo license to an applicant that has never held an annual bingo license under this article.

(c) The first time that a qualified organization applies for an annual bingo license, the ~~commission~~ **qualified organization** shall publish notice that the application has been filed by publication at least two (2) times, seven (7) days apart, as follows:

(1) In one (1) newspaper in the county where the qualified organization is located.

(2) In one (1) newspaper in the county where the allowable event will be conducted.

(d) The notification must be in accordance with IC 5-14-1.5-5 and required by subsection (c) must contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual bingo license.

(2) The location where the bingo events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual bingo license.

(5) A statement that the commission shall hold a public hearing if ten (10) written and signed protest letters are received by the commission.

(6) The address of the commission where correspondence concerning the application may be sent.

~~(d)~~ (e) If the commission receives at least ten (10) protest letters, the commission shall hold a public hearing in accordance with IC 5-14-1.5. The commission shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

~~(e)~~ (f) A license issued under this section:

(1) may authorize the qualified organization to conduct bingo events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted bingo events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

~~(f)~~ (g) Notwithstanding subsection ~~(e)~~(4); (f)(4), the commission ~~shall~~ **may** hold a public hearing for the reissuance of an annual bingo license if at least one (1) of the following conditions is met:

(1) An applicant has been cited for a violation of law or a rule of the commission. or

(2) The commission finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the commission in connection with the bingo license; that one (1) or more of the alleged violations:

(A) has occurred;

(B) is a type of violation that would allow the commission to cite the applicant for a violation of a provision of this article or of a rule of the commission; and

1 ~~(c)~~ has not been corrected after notice has been given by the
2 ~~commission.~~

3 (2) The commission receives at least ten (10) protest letters
4 concerning the qualified organization's bingo operation.

5 (3) A public hearing is considered necessary by the
6 commission.

7 (g) If the commission is required to hold a public hearing on an
8 application for a reissuance of an annual bingo license, it shall comply
9 with the same procedures required under this section for notice and for
10 conducting the hearing.

11 (h) The commission may deny a license if, after a public hearing,
12 the commission determines that the applicant:

13 (1) has violated a local ordinance; or

14 (2) has engaged in fraud, deceit, or misrepresentation.

15 SECTION 19. IC 4-32.2-4-7.5 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) Subject to subsection (h),
18 the commission may issue an annual charity game night license to
19 a qualified organization if:

20 (1) the provisions of this section are satisfied; and

21 (2) the qualified organization:

22 (A) submits an application; and

23 (B) pays a fee set by the commission under IC 4-32.2-6.

24 (b) The commission may hold a public hearing to obtain input
25 on the proposed issuance of an annual charity game night license
26 to an applicant that has never held an annual charity game night
27 license under this article.

28 (c) The first time that a qualified organization applies for an
29 annual charity game night license, the qualified organization shall
30 publish notice that the application has been filed by publication at
31 least two (2) times, seven (7) days apart, as follows:

32 (1) In one (1) newspaper in the county where the qualified
33 organization is located.

34 (2) In one (1) newspaper in the county where the allowable
35 events will be conducted.

36 (d) The notification required by subsection (c) must contain the
37 following:

38 (1) The name of the qualified organization and the fact that it
39 has applied for an annual charity game night license.

40 (2) The location where the charity game night events will be
41 held.

42 (3) The names of the operator and officers of the qualified
43 organization.

44 (4) A statement that any person can protest the proposed
45 issuance of the annual charity game night license.

46 (5) A statement that the commission shall hold a public
47 hearing if ten (10) written and signed protest letters are
48 received by the commission.

49 (6) The address of the commission where correspondence
50 concerning the application may be sent.

51 (e) If the commission receives at least ten (10) protest letters, the

1 commission shall hold a public hearing in accordance with
 2 IC 5-14-1.5. The commission shall issue a license or deny the
 3 application not later than sixty (60) days after the date of the
 4 public hearing.

5 (f) A license issued under this section:

6 (1) may authorize the qualified organization to conduct
 7 charity game night events on more than one (1) occasion
 8 during a period of one (1) year;

9 (2) must state the locations of the permitted charity game
 10 night events;

11 (3) must state the expiration date of the license; and

12 (4) may be reissued annually upon the submission of an
 13 application for reissuance on the form established by the
 14 commission and upon the licensee's payment of a fee set by
 15 the commission.

16 (g) Notwithstanding subsection (f)(4), the commission may hold
 17 a public hearing for the reissuance of an annual charity game night
 18 license if at least one (1) of the following conditions is met:

19 (1) An applicant has been cited for a violation of law or a rule
 20 of the commission.

21 (2) The commission receives at least ten (10) protest letters
 22 concerning the qualified organization's charity game night
 23 operation.

24 (3) A public hearing is considered necessary by the
 25 commission.

26 (h) Notwithstanding IC 4-32.2-2-24, this section applies only to:

27 (1) a bona fide civic organization; or

28 (2) a bona fide veterans organization;

29 that has been continuously in existence in Indiana for ten (10)
 30 years. A qualified organization that is not described in this
 31 subsection may not apply for an annual charity game night license
 32 under this section.

33 SECTION 20. IC 4-32.2-4-8, AS ADDED BY P.L.91-2006,
 34 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2007]: Sec. 8. (a) The commission may issue a raffle license
 36 to a qualified organization upon the organization's submission of an
 37 application and payment of a fee determined under IC 4-32.2-6. The
 38 license must:

39 (1) authorize the qualified organization to conduct a raffle event
 40 at only one (1) time and location; and

41 (2) state the date, beginning and ending times, and location of the
 42 raffle event.

43 (b) A qualified organization, by rule of the commission, may be
 44 excused from the requirement of obtaining a license to conduct a raffle
 45 event if the total market value of the prize or prizes to be awarded at
 46 the raffle event does not exceed one thousand dollars (\$1,000).

47 SECTION 21. IC 4-32.2-4-9, AS ADDED BY P.L.91-2006,
 48 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 JULY 1, 2007]: Sec. 9. (a) The ~~commissioner~~ **commission** may issue
 50 an annual raffle license to a qualified organization upon the
 51 organization's submission of an application and payment of a fee

determined under IC 4-32.2-6. The license must

(1) authorize the qualified organization to conduct not more than five (5) raffle events in the calendar year in which the license is issued; and

(2) state the date, beginning and ending times, and location of each raffle event conducted by the qualified organization in the calendar year.

if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The application for an annual raffle prize license must contain the following:

(1) The name of the qualified organization.

(2) The location where the raffle events will be held.

(3) The names of the operator and officers of the qualified organization.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct raffle events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted raffle events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

SECTION 22. IC 4-32.2-4-10, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The commission may issue a door prize license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a door prize event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the door prize event.

(b) A qualified organization, by rule of the commission, may be excused from the requirement of obtaining a license to conduct a door prize event if the total market value of the prize or prizes to be awarded at the door prize event does not exceed one thousand dollars (\$1,000).

SECTION 23. IC 4-32.2-4-11, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The commission may issue an annual door prize license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The application for an annual door prize license must contain the

following:

- (1) The name of the qualified organization.
- (2) The location where the door prize events will be held.
- (3) The names of the operator and officers of the qualified organization.

(c) A license issued under this section:

- (1) may authorize the qualified organization to conduct door prize events on more than one (1) occasion during a period of one (1) year;
- (2) must state the locations of the permitted door prize events;
- (3) must state the expiration date of the license; and
- (4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

(d) ~~The commission may reject an application for an annual door prize license if, after a public hearing, the commission determines that the applicant:~~

- ~~(1) has violated a local ordinance; or~~
- ~~(2) has engaged in fraud, deceit, or misrepresentation.~~

SECTION 24. IC 4-32.2-4-12, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The commission may issue a festival license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must authorize the qualified organization to conduct bingo events, charity game nights, ~~one (1) raffle event;~~ **events, gambling events licensed under section 16 of this chapter,** and door prize events and to sell pull tabs, punchboards, and tip boards. The license must state the location and the dates, not exceeding four (4) consecutive days, on which these activities may be conducted.

(b) **Except as provided in IC 4-32.2-5-6(c),** a qualified organization may not conduct more than one (1) festival each year. ~~at which bingo events, charity game nights, raffle events, and door prize events, are conducted and pull tabs, punchboards, and tip boards are sold.~~

(c) The raffle event authorized by a festival license is not subject to the prize limits set forth in this chapter. Bingo events, charity game nights, and door prize events conducted at a festival are subject to the prize limits set forth in this chapter.

SECTION 25. IC 4-32.2-4-13, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A bingo license or special bingo license may also authorize a qualified organization to conduct **raffle events and door prize drawings** and sell pull tabs, punchboards, and tip boards at the bingo event.

(b) A charity game night license may also authorize a qualified organization to:

- (1) conduct **raffle events and door prize drawings;** and
 - (2) sell pull tabs, punchboards, and tip boards;
- at the charity game night.

(c) A raffle license **or an annual raffle license** may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license **or an annual door prize license** may also authorize a qualified organization to **conduct a raffle event and to sell** pull tabs, punchboards, and tip boards at the door prize event.

SECTION 26. IC 4-32.2-4-14, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. A qualified organization may hold more than one (1) license at a time. ~~However, a qualified organization with multiple licenses may not hold a bingo event and raffle at the same event or at the same time and place unless, by express determination, the commission allows a qualified organization to do so. The commission may allow a qualified organization to conduct only one (1) event each year at which both bingo and a raffle may be held:~~

SECTION 27. IC 4-32.2-4-16, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) This section applies to a gambling event that is described in neither:

(1) section 1(1) through 1(6) of this chapter; nor

(2) IC 4-32.2-2-12(b).

(b) The commission may issue a **single event license or an annual event license** to conduct a gambling event approved by the commission to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. ~~The~~

(c) A **single event license** must:

(1) authorize the qualified organization to conduct the gambling event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the gambling event.

(d) An **annual event license**:

(1) **must authorize the qualified organization to conduct the events on more than one (1) occasion during a period of one (1) year;**

(2) **must state the locations of the permitted events;**

(3) **must state the expiration date of the license; and**

(4) **may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.**

~~(c)~~ (e) The commission may impose any condition upon a qualified organization that is issued a license to conduct a gambling event under this section.

SECTION 28. IC 4-32.2-4-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.5. (a) The commission may issue an annual PPT license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6.

(b) A license issued under this section authorizes a qualified organization to sell pull tabs, punchboards, and tip boards at any

time on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization.

(c) A license issued under this section is not required for the sale of pull tabs, punchboards, and tip boards at another allowable event as permitted under section 13 of this chapter.

(d) The application for an annual PPT license must contain the following:

(1) The name of the qualified organization.

(2) The location where the qualified organization will sell pull tabs, punchboards, and tip boards.

(3) The names of the operator and the officers of the qualified organization.

SECTION 29. IC 4-32.2-4-18, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) With respect to any action authorized by this section, a candidate's committee (as defined in IC 3-5-2-7) is considered a bona fide political organization.

(b) A candidate's committee may apply for a license under section 8 of this chapter to conduct a raffle event. A candidate's committee may not also conduct a door prize drawing at the raffle event but is prohibited from conducting any other kind of allowable event.

(c) The following are subject to this ~~article~~ chapter and IC 4-32.2-6:

(1) A candidate's committee that applies for a license under section 8 of this chapter.

(2) A raffle event or door prize drawing conducted by a candidate's committee.

(d) The members of a candidate's committee may conduct an event under this section without meeting the requirements of this article concerning the membership of a qualified organization. A candidate's committee licensed under this section must remain in good standing with the election division or the county election board having jurisdiction over the committee.

SECTION 30. IC 4-32.2-5-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) All net proceeds from an allowable event and related activities may be used only for the lawful purposes of the qualified organization.

(b) To determine the net proceeds from an allowable event, a qualified organization shall subtract the following from the gross receipts received from the allowable event:

(1) An amount equal to the total value of the prizes, including door prizes, awarded at the allowable event.

(2) The sum of the purchase prices paid for licensed supplies dispensed at the allowable event.

(3) An amount equal to the qualified organization's license fees attributable to the allowable event.

(4) An amount equal to the advertising expenses incurred by the qualified organization to promote the allowable event.

(5) An amount not to exceed two hundred dollars (\$200) per day for rent paid for facilities leased for an allowable event.

SECTION 31. IC 4-32.2-5-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the commission within the time established by the commission. The commission may prescribe forms for this purpose. The commission shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

(b) **The commission may require a qualified organization to submit any records maintained under this section for an independent audit by a certified public accountant selected by the commission. A qualified organization must bear the cost of any audit required under this section.**

SECTION 32. IC 4-32.2-5-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A qualified organization may not conduct more than three (3) allowable events during a calendar week and not more than one (1) allowable event each day.

(b) Except as provided in IC 4-32.2-4-12 and IC 4-32.2-4-16.5, allowable events may not be held on more than two (2) consecutive days.

(c) A ~~bona fide civic~~ **qualified** organization may conduct one (1) additional ~~allowable festival~~ event during each six (6) months of a calendar year.

SECTION 33. IC 4-32.2-5-8, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) ~~Except as provided in subsection (d);~~ If facilities are leased for an allowable event, the rent may not

(1) be based in whole or in part on the revenue generated from the event. ~~or~~

(2) ~~exceed two hundred dollars (\$200) per day.~~

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

(d) ~~If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership; facility rent for the allowable event may exceed two hundred dollars (\$200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.~~

SECTION 34. IC 4-32.2-5-12, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) Except as provided in subsection (b) ~~or (c),~~ an operator or a worker **who is not a full-time employee** may not receive remuneration for:

- (1) preparing for;
 - (2) (1) conducting; or
 - (3) (2) assisting in conducting;
 - (4) cleaning up after; or
 - (5) taking any other action in connection with;
- an allowable event.

(b) A qualified organization that conducts an allowable event may:

- (1) provide meals for the operators and workers during the allowable event; and
- (2) provide recognition dinners and social events for the operators and workers;

if the value of the meals and social events does not constitute a significant inducement to participate in the conduct of the allowable event.

(c) In the case of a qualified organization holding a PPT license, any employee of the qualified organization may:

- (1) participate in the sale and redemption of pull tabs, punchboards, and tip boards on the premises of the qualified organization; and**
- (2) receive the remuneration ordinarily provided to the employee in the course of the employee's employment.**

SECTION 35. IC 4-32.2-5-16, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) Except as provided in **section 12(c) of this chapter** and subsection (b), a worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if **the individual is a full-time employee of the qualified organization that is conducting the allowable event or if:**

- (1) the individual is a member of another qualified organization; and
- (2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

- (1) the licensing requirements of this article; and
- (2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

SECTION 36. IC 4-32.2-5-22, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2007]: Sec. 22. If an employee or officer of a manufacturer or distributor is a member of a bona fide civic or bona fide religious organization that holds a charity gaming license, the employee's or officer's membership in the organization may not be construed as an affiliation with the organization's charity gaming operations. An employee, officer, or owner of a manufacturer or distributor is prohibited from participating in or affiliating in any way with the charity gaming operations of a qualified organization of which the employee, officer, or owner is a member.

SECTION 37. IC 4-32.2-6-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) In the case of a qualified organization that is not subject to subsection (b), the qualified organization's adjusted gross revenue is an amount equal to the difference between:

(1) the qualified organization's total gross revenue from allowable events and related activities in the preceding year; minus

(2) the sum of any amounts deducted under IC 4-32.2-5-3(b)(5) in the preceding year.

(b) This subsection applies only to a qualified organization that held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8, IC 4-32.2-4-10, or IC 4-32.2-4-12. The qualified organization's adjusted gross revenue is an amount equal to the difference between:

(1) the qualified organization's total gross revenue from the preceding event and related activities; minus

(2) any amount deducted under IC 4-32.2-5-3(b)(5) for the preceding event.

(c) The license fee that is charged to a qualified organization that renews the license must be based on the total adjusted gross revenue of the qualified organization from allowable events and related activities in the preceding year, or, if the qualified organization held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8, IC 4-32.2-4-10, or IC 4-32.2-4-12, the fee must be based on the total adjusted gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:

| Class | Adjusted Gross Revenues | | Fee |
|-------|-------------------------|---------------|----------|
| | At Least | But Less Than | |
| A | \$ 0 | \$ 15,000 | \$ 50 |
| B | \$ 15,000 | \$ 25,000 | \$ 100 |
| C | \$ 25,000 | \$ 50,000 | \$ 300 |
| D | \$ 50,000 | \$ 75,000 | \$ 400 |
| E | \$ 75,000 | \$ 100,000 | \$ 700 |
| F | \$ 100,000 | \$ 150,000 | \$ 1,000 |
| G | \$ 150,000 | \$ 200,000 | \$ 1,500 |
| H | \$ 200,000 | \$ 250,000 | \$ 1,800 |
| I | \$ 250,000 | \$ 300,000 | \$ 2,500 |
| J | \$ 300,000 | \$ 400,000 | \$ 3,250 |
| K | \$ 400,000 | \$ 500,000 | \$ 5,000 |

| | | | | |
|----|---|--------------|--------------|-----------|
| 1 | L | \$ 500,000 | \$ 750,000 | \$ 6,750 |
| 2 | M | \$ 750,000 | \$ 1,000,000 | \$ 9,000 |
| 3 | N | \$ 1,000,000 | \$ 1,250,000 | \$ 11,000 |
| 4 | O | \$ 1,250,000 | \$ 1,500,000 | \$ 13,000 |
| 5 | P | \$ 1,500,000 | \$ 1,750,000 | \$ 15,000 |
| 6 | Q | \$ 1,750,000 | \$ 2,000,000 | \$ 17,000 |
| 7 | R | \$ 2,000,000 | \$ 2,250,000 | \$ 19,000 |
| 8 | S | \$ 2,250,000 | \$ 2,500,000 | \$ 21,000 |
| 9 | T | \$ 2,500,000 | \$ 3,000,000 | \$ 24,000 |
| 10 | U | \$ 3,000,000 | | \$ 26,000 |

SECTION 38. IC 4-32.2-7-1, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "surplus revenue" means the amount of money in the charity gaming enforcement fund that is not required to meet the costs of administration and the cash flow needs of the commission under this article, **IC 4-33-19, and IC 4-33-20.**

SECTION 39. IC 4-32.2-7-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. There is appropriated annually to the commission from the fund an amount sufficient to cover the costs incurred by the commission for the purposes specified in this article, **IC 4-33-19, and IC 4-33-20.**

SECTION 40. IC 4-32.2-8-1, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may suspend or revoke the license of or levy a civil penalty against a qualified organization, a **manufacturer, a distributor,** or an individual under this article for any of the following:

(1) Violation of:

- (A) a provision of this article, or of **IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,** or a rule of the commission; or
- (B) **any other local ordinance, state or federal statute, or administrative rule or regulation that would cause the commission to determine that the person is not of good moral character or reputation.**

(2) Failure to accurately account for

- (A) bingo cards;
- (B) bingo boards;
- (C) bingo sheets;
- (D) bingo pads;
- (E) pull tabs;
- (F) punchboards; or
- (G) tip boards;

a licensed supply.

(3) Failure to accurately account for sales proceeds from an event or activity licensed or permitted under this article.

(4) Commission of a fraud, deceit, or misrepresentation.

(5) Conduct prejudicial to public confidence in the commission.

(b) If a violation is of a continuing nature, the commission may

1 impose a civil penalty upon a licensee or an individual for each day the
2 violation continues.

3 **(c) For purposes of subsection (a), a finding that a person has**
4 **violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be**
5 **supported by a preponderance of the evidence.**

6 SECTION 41. IC 4-32.2-9-2, AS ADDED BY P.L.91-2006,
7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2007]: Sec. 2. An employee of the commission may do any of
9 the following:

- 10 (1) Investigate an alleged violation of this article.
- 11 (2) Arrest an alleged violator of this article. ~~or of a rule adopted~~
12 ~~by the commission.~~
- 13 (3) Enter upon the following premises for the performance of the
14 employee's lawful duties:
 - 15 (A) A location where a bingo event, charity game night,
16 **festival event, raffle, or door prize drawing, or other charity**
17 **gambling event licensed under IC 4-32.2-4-16** is being
18 conducted.
 - 19 (B) A location where pull tabs, tip boards, or punchboards are
20 being purchased, sold, manufactured, printed, or stored.
- 21 (4) Take necessary equipment from the premises for further
22 investigation.
- 23 (5) Obtain full access to all financial records of the entity upon
24 request.
- 25 (6) If there is a reason to believe that a violation has occurred,
26 search and inspect the premises where the violation is alleged to
27 have occurred or is occurring. A search under this subdivision
28 may not be conducted unless a warrant has first been obtained by
29 the executive director. A contract entered into by the executive
30 director may not include a provision allowing for warrantless
31 searches. A warrant may be obtained in the county where the
32 search will be conducted or in Marion County.
- 33 (7) Seize or take possession of:
 - 34 (A) papers;
 - 35 (B) records;
 - 36 (C) tickets;
 - 37 (D) currency; or
 - 38 (E) other items;
- 39 related to an alleged violation.

40 SECTION 42. IC 4-32.2-9-3, AS ADDED BY P.L.91-2006,
41 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2007]: Sec. 3. (a) The commission shall conduct
43 investigations necessary to ensure the security and integrity of the
44 operation of games of chance under this article. The commission may
45 conduct investigations of the following:

- 46 (1) Licensed qualified organizations.
- 47 (2) Applicants for licenses issued under this article.
- 48 ~~(3) Licensed manufacturers and distributors.~~
- 49 **(3) Entities that sell, manufacture, or distribute licensed**
50 **supplies.**
- 51 (4) Employees of the commission under this article.

(5) Applicants for contracts or employment with the commission under this article.

(6) Individuals engaged in conducting allowable events.

(b) The commission may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

- (1) required by the commission to carry out the investigation; or
- (2) otherwise needed to facilitate access to state and criminal history information.

SECTION 43. IC 4-32.2-9-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) This section applies only to products sold in Indiana.

(b) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable

- ~~(1) bingo supplies;~~
- ~~(2) punchboards; or~~
- ~~(3) tip boards;~~

a licensed supply, the manufacturer or distributor shall provide the commission with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

- (1) The quantity.
- (2) A description.
- (3) The serial numbers.
- (4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

SECTION 44. IC 4-32.2-9-8, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. A manufacturer or distributor of ~~supplies, devices, or equipment described in IC 4-32.2-3-4(a)~~ **a licensed supply** to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the ~~supplies, devices, and equipment~~ **licensed supply**.

SECTION 45. IC 4-33-2-11.6, AS ADDED BY P.L.170-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11.6. "Law enforcement agency" means any of the following:

- (1) The gaming agents of the Indiana gaming commission.
- (2) The state police department.
- (3) The conservation officers of the department of natural resources.
- (4) The state excise police of the alcohol and tobacco commission.
- (5) The gaming control officers of the Indiana gaming commission.**

SECTION 46. IC 4-33-3-19 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) The executive
2 director shall devote the executive director's full time to the duties of
3 the office. and shall not hold any other office or employment:

4 (b) The executive director shall do the following:

5 (1) Keep records of all proceedings of the commission.

6 (2) Preserve all papers, books, documents, and other records
7 belonging to or held by the commission.

8 SECTION 47. IC 4-33-19 IS ADDED TO THE INDIANA CODE
9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2007]:

11 **Chapter 19. License Control Division**

12 **Sec. 1.** As used in this chapter, "division" means the license
13 control division established by section 3 of this chapter.

14 **Sec. 2.** As used in this chapter, "licensed entity" means a person
15 holding:

16 (1) a charity gaming license issued under IC 4-32.2;

17 (2) a retail merchant's certificate issued under IC 6-2.5-8;

18 (3) a tobacco sales certificate issued under IC 7.1-3-18.5; or

19 (4) an alcoholic beverage permit issued under IC 7.1-3.

20 **Sec. 3.** The license control division is established to conduct
21 administrative enforcement actions against licensed entities
22 engaged in unlawful gambling.

23 **Sec. 4.** The commission shall hire an administrative law judge,
24 attorneys, and other personnel necessary to carry out the division's
25 duties under this chapter.

26 **Sec. 5.** The division shall carry out the commission's duties
27 under IC 4-32.2-8 and IC 4-32.2-9 with respect to any person that
28 is:

29 (1) licensed under IC 4-32.2; and

30 (2) suspected of violating IC 35-45-5-3, IC 35-45-5-3.5, or
31 IC 35-45-5-4.

32 **Sec. 6.** The division shall, on behalf of the department of state
33 revenue or the alcohol and tobacco commission, conduct a license
34 revocation action against a licensed entity for any revocation
35 action authorized by any of the following statutes:

36 (1) IC 6-2.5-8-7(g).

37 (2) IC 7.1-3-18.5-5(c).

38 (3) IC 7.1-3-23-2(b).

39 (4) IC 7.1-3-23-5 with respect to a violation of IC 35-45-5-3,
40 IC 35-45-5-3.5, or IC 35-45-5-4.

41 **Sec. 7. (a)** A memorandum of understanding between the
42 commission and:

43 (1) the department of state revenue in the case of an action
44 involving a person holding a retail merchant's certificate; or

45 (2) the alcohol and tobacco commission in the case of an
46 action involving a person holding a tobacco sales certificate or
47 an alcoholic beverage permit;

48 is required to authorize the division's actions under section 6 of this
49 chapter.

50 (b) The agencies described in subsection (a) shall enter into the
51 memorandum of understanding required by this section before

January 1, 2008.

Sec. 8. (a) A memorandum of understanding required by section 7 of this chapter must describe the responsibilities of each participating agency in coordinating the agencies' administrative enforcement actions with respect to suspected violations of IC 35-45-5-3, IC 35-45-5-3.5, and IC 35-45-5-4.

(b) Each party to the memorandum of understanding required by section 7 of this chapter must agree to permit the license revocation actions subject to this chapter to be heard by an administrative law judge employed by the division.

(c) A memorandum of understanding required by section 7 of this chapter must set forth the administrative procedures applicable to each revocation action conducted under this chapter.

Sec. 9. The division may refer any information concerning suspected criminal activity discovered in carrying out the division's duties under this chapter to the prosecuting attorney of the county in which the suspected criminal activity occurred.

Sec. 10. The commission shall assign gaming control officers employed under IC 4-33-20 to assist the division in carrying out the duties of this chapter.

SECTION 48. IC 4-33-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 20. Gaming Control Division

Sec. 1. As used in this chapter, "gaming control officer" refers to an officer employee of the division.

Sec. 2. As used in this chapter, "division" refers to the gaming control division established under section 3 of this chapter.

Sec. 3. The commission shall establish a law enforcement division known as the gaming control division.

Sec. 4. The gaming control division shall be organized in conformity with rules adopted by the commission.

Sec. 5. The commission shall:

- (1) pay all personnel costs incurred by the division; and
- (2) purchase all property, supplies, and equipment for the division;

from money deposited in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Sec. 6. The commission shall initially staff the division with sixteen (16) gaming control officers. Subject to the availability of funds in the charity gaming enforcement fund, the commission may increase the number of gaming control officers employed by the division at its discretion.

Sec. 7. (a) The commission shall provide each gaming control officer the uniforms and equipment necessary to the performance of the gaming control officer's duties. All uniforms and equipment remain the property of the state.

(b) The executive director shall charge against a gaming control officer the value of property lost or destroyed through carelessness or neglect of the employee. The value of the equipment shall be deducted from the pay of the gaming control officer.

1 **Sec. 8. The commission shall create a matrix for salary ranges**
 2 **for gaming control officers, which must be reviewed and approved**
 3 **by the budget agency before implementation.**

4 **Sec. 9. A gaming control officer:**

5 (1) is a law enforcement officer under IC 9-13-2-92 and
 6 IC 35-41-1-17 and has the power to enforce Indiana laws and
 7 without warrant to arrest for the violation of any of those
 8 laws when committed in the officer's presence;

9 (2) is a police officer under IC 9-13-2-127;

10 (3) has the power of law enforcement officers to arrest under
 11 IC 35-33-1-1; and

12 (4) has the power to enforce Indiana laws and may exercise all
 13 powers granted by law to state police officers, sheriffs, and
 14 members of police departments.

15 **Sec. 10. A gaming control officer shall investigate a suspected**
 16 **violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 by a**
 17 **person holding any of the following:**

18 (1) A retail merchant's certificate issued under IC 6-2.5-8.

19 (2) A tobacco sales certificate issued under IC 7.1-3-18.5.

20 (3) An alcoholic beverage permit issued under IC 7.1-3.

21 **Sec. 11. (a) A uniformed gaming control officer shall carry arms**
 22 **in the performance of the officer's duty.**

23 **(b) A nonuniformed gaming control officer may carry arms in**
 24 **the performance of the officer's duty.**

25 **Sec. 12. Each gaming control officer shall execute a surety bond**
 26 **in the amount of one thousand dollars (\$1,000), with surety**
 27 **approved by the commission, and an oath of office, both of which**
 28 **must be filed with the executive director.**

29 **Sec. 13. (a) The injury to, injury to the health of, or death of a**
 30 **gaming control officer is compensable under the appropriate**
 31 **provisions of IC 22-3-2 through IC 22-3-7 if the injury, injury to**
 32 **the health of, or death arises out of and in the course of the**
 33 **performance of the officer's duties as a gaming control officer.**

34 **(b) For purposes of subsection (a) and IC 22-3-2 through**
 35 **IC 22-3-7, a gaming control officer is conclusively presumed to**
 36 **have accepted the compensation provisions included in the parts of**
 37 **the Indiana Code referred to in this subsection.**

38 **Sec. 14. An eligible gaming control officer who retires with at**
 39 **least twenty (20) years of service as a gaming control officer:**

40 (1) may retain the officer's service weapon;

41 (2) may receive, in recognition of the officer's service to the
 42 commission and to the public, a badge that indicates that the
 43 officer is retired; and

44 (3) shall be issued by the commission an identification card
 45 stating the officer's name and rank, signifying that the officer
 46 is retired, and noting the officer's authority to retain the
 47 service weapon.

48 **SECTION 49. IC 5-10-1.5-1, AS AMENDED BY P.L.170-2005,**
 49 **SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 50 **JULY 1, 2007]: Sec. 1. Each retirement plan for employees of the state**
 51 **or of a political subdivision shall report annually on September 1 to the**

public employees' retirement fund the information from the preceding fiscal year necessary for the actuary of the fund to perform an actuarial valuation of each plan. Where the director and actuary of the fund consider it appropriate, the actuary may combine one (1) retirement plan with another or with the public employees' retirement fund for the purposes of the actuarial valuation. The retirement plans covered by this chapter are the following:

(1) The state excise police, gaming agent, **gaming control officer**, and conservation enforcement officers' retirement plan established under IC 5-10-5.5.

(2) The "trust fund" and "pension trust" of the state police department established under IC 10-12-2.

(3) Each of the police pension funds established or covered under IC 19-1-18, IC 19-1-30, IC 19-1-25-4, or IC 36-8.

(4) Each of the firemen's pension funds established or covered under IC 19-1-37, IC 18-1-12, IC 19-1-44, or IC 36-8.

(5) Each of the retirement funds for utility employees authorized under IC 19-3-22 or IC 36-9 or established under IC 19-3-31.

(6) Each county police force pension trust and trust fund authorized under IC 17-3-14 or IC 36-8.

(7) The Indiana judges' retirement fund established under IC 33-38-6.

(8) Each retirement program adopted by a board of a local health department as authorized under IC 16-1-4-25 (before its repeal) or IC 16-20-1-3.

(9) Each retirement benefit program of a joint city-county health department under IC 16-1-7-16 (before its repeal).

(10) Each pension and retirement plan adopted by the board of trustees or governing body of a county hospital as authorized under IC 16-12.1-3-8 (before its repeal) or IC 16-22-3-11.

(11) Each pension or retirement plan and program for hospital personnel in certain city hospitals as authorized under IC 16-12.2-5 (before its repeal) or IC 16-23-1.

(12) Each retirement program of the health and hospital corporation of a county as authorized under IC 16-12-21-27 (before its repeal) or IC 16-22-8-34.

(13) Each pension plan provided by a city, town, or county housing authority as authorized under IC 36-7.

(14) Each pension and retirement program adopted by a public transportation corporation as authorized under IC 36-9.

(15) Each system of pensions and retirement benefits of a regional transportation authority as authorized or required by IC 36-9.

(16) Each employee pension plan adopted by the board of an airport authority under IC 8-22-3.

(17) The pension benefit paid for the national guard by the state as established under IC 10-16-7.

(18) The pension fund allowed employees of the Wabash Valley interstate commission as authorized under IC 13-5-1-3.

(19) Each system of pensions and retirement provided by a unit under IC 36-1-3.

SECTION 50. IC 5-10-1.7-1, AS AMENDED BY P.L.2-2006,

SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The retirement plans covered by this chapter are:

- (1) The state excise police, gaming agent, **gaming control officer**, and conservation officers' retirement plan, established under IC 5-10-5.5.
- (2) The public employees' retirement fund, established under IC 5-10.3-2.
- (3) The trust fund and pension trust of the department of state police, established under IC 10-12-2.
- (4) The Indiana state teachers' retirement fund, established under IC 5-10.4-2.
- (5) The Indiana judges' retirement fund, established under IC 33-38-6.
- (6) The police officers' and firefighters' pension and disability fund established under IC 36-8-8-4.

(b) As used in this chapter, "board" means the board of trustees of a retirement plan covered by this chapter.

SECTION 51. IC 5-10-5.5-1, AS AMENDED BY P.L.170-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter and unless the context clearly denotes otherwise:

(a) "Department" means the Indiana department of natural resources.

(b) "Commission" means the alcohol and tobacco commission.

(c) "Officer" means any Indiana state excise police officer, any Indiana state conservation enforcement officer, or any gaming agent, **or any gaming control officer.**

(d) "Participant" means any officer who has elected to participate in the retirement plan created by this chapter.

(e) "Salary" means the total compensation, exclusive of expense allowances, paid to any officer by the department or the commission, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

(f) "Average annual salary" means the average annual salary of an officer during the five (5) years of highest annual salary in the ten (10) years immediately preceding an officer's retirement date, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

(g) "Public employees' retirement act" means IC 5-10.3.

(h) "Public employees' retirement fund" means the public employees' retirement fund created by IC 5-10.3-2.

(i) "Interest" means the same rate of interest as is specified under the public employees' retirement law.

(j) "Americans with Disabilities Act" refers to the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and any amendments and regulations related to the Act.

(k) Other words and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them as set forth in IC 5-10.3-1.

SECTION 52. IC 5-10-5.5-2, AS AMENDED BY P.L.170-2005,

SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. There is hereby created a state excise police, gaming agent, **gaming control officer**, and conservation enforcement officers' retirement plan to establish a means of providing special retirement, disability and survivor benefits to employees of the department, the Indiana gaming commission, and the commission who are engaged exclusively in the performance of law enforcement duties.

SECTION 53. IC 5-10-5.5-2.5, AS AMENDED BY P.L.170-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) As used in this chapter, "Internal Revenue Code":

(1) means the Internal Revenue Code of 1954, as in effect on September 1, 1974, if permitted with respect to governmental plans; or

(2) to the extent not inconsistent with subdivision (1), has the meaning set forth in IC 6-3-1-11.

(b) The state excise police, gaming agent, **gaming control officer**, and conservation officers' retirement plan shall satisfy the qualification requirements in Section 401 of the Internal Revenue Code, as applicable to the retirement plan. In order to meet those requirements, the retirement plan is subject to the following provisions, notwithstanding any other provision of this chapter:

(1) The board shall distribute the corpus and income of the retirement plan to participants and their beneficiaries in accordance with this chapter.

(2) No part of the corpus or income of the retirement plan may be used or diverted to any purpose other than the exclusive benefit of the participants and their beneficiaries.

(3) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any participant would otherwise receive under this chapter.

(4) If the retirement plan is terminated, or if all contributions to the retirement plan are completely discontinued, the rights of each affected participant to the benefits accrued at the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.

(5) All benefits paid from the retirement plan shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations under that section. In order to meet those requirements, the retirement plan is subject to the following provisions:

(A) The life expectancy of a participant, the participant's spouse, or the participant's beneficiary shall not be recalculated after the initial determination, for purposes of determining benefits.

(B) If a participant dies before the distribution of the participant's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the participant died.

(C) The amount of an annuity paid to a participant's

1 beneficiary may not exceed the maximum determined under
2 the incidental death benefit requirement of the Internal
3 Revenue Code.

4 (6) The board may not:

5 (A) determine eligibility for benefits;

6 (B) compute rates of contribution; or

7 (C) compute benefits of participants or beneficiaries;

8 in a manner that discriminates in favor of participants who are
9 considered officers, supervisors, or highly compensated, as
10 prohibited under Section 401(a)(4) of the Internal Revenue Code.

11 (7) Benefits paid under this chapter may not exceed the maximum
12 benefit specified by Section 415 of the Internal Revenue Code.

13 (8) The salary taken into account under this chapter may not
14 exceed the applicable amount under Section 401(a)(17) of the
15 Internal Revenue Code.

16 (9) The board may not engage in a transaction prohibited by
17 Section 503(b) of the Internal Revenue Code.

18 SECTION 54. IC 5-10-5.5-3.5, AS AMENDED BY P.L.170-2005,
19 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2007]: Sec. 3.5. The state excise police, gaming agent,
21 **gaming control officer**, and conservation enforcement officers'
22 retirement plan shall be administered in a manner that is consistent
23 with the Americans with Disabilities Act, to the extent required by the
24 Act.

25 SECTION 55. IC 5-10-8-6, AS AMENDED BY P.L.1-2006,
26 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2007]: Sec. 6. (a) The state police department, conservation
28 officers of the department of natural resources, gaming agents of the
29 Indiana gaming commission, **gaming control officers of the Indiana**
30 **gaming commission**, and the state excise police may establish
31 common and unified plans of self-insurance for their employees,
32 including retired employees, as separate entities of state government.
33 These plans may be administered by a private agency, business firm,
34 limited liability company, or corporation.

35 (b) Except as provided in IC 5-10-14, the state agencies listed in
36 subsection (a) may not pay as the employer part of benefits for any
37 employee or retiree an amount greater than that paid for other state
38 employees for group insurance.

39 SECTION 56. IC 5-10-10-4, AS AMENDED BY P.L.43-2006,
40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2007]: Sec. 4. As used in this chapter, "public safety officer"
42 means any of the following:

43 (1) A state police officer.

44 (2) A county sheriff.

45 (3) A county police officer.

46 (4) A correctional officer.

47 (5) An excise police officer.

48 (6) A county police reserve officer.

49 (7) A city police reserve officer.

50 (8) A conservation enforcement officer.

51 (9) A town marshal.

- (10) A deputy town marshal.
- (11) A probation officer.
- (12) A state university, college, or junior college police officer appointed under IC 20-12-3.5.
- (13) A police officer whose employer purchases coverage under section 4.5 of this chapter.
- (14) An emergency medical services provider (as defined in IC 16-41-10-1) who is:
 - (A) employed by a political subdivision (as defined in IC 36-1-2-13); and
 - (B) not eligible for a special death benefit under IC 36-8-6-20, IC 36-8-7-26, IC 36-8-7.5-22, or IC 36-8-8-20.
- (15) A firefighter who is employed by the fire department of a state university.
- (16) A firefighter whose employer purchases coverage under section 4.5 of this chapter.
- (17) A member of a consolidated law enforcement department established under IC 36-3-1-5.1.
- (18) A gaming agent of the Indiana gaming commission.
- (19) A person who is:
 - (A) employed by a political subdivision (as defined in IC 36-1-2-13); and
 - (B) appointed as a special deputy under IC 36-8-10-10.6.
- (20) A gaming control officer of the Indiana gaming commission.**

SECTION 57. IC 5-14-3-2, AS AMENDED BY P.L.1-2006, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The definitions set forth in this section apply throughout this chapter.

(b) "Copy" includes transcribing by handwriting, photocopying, xerography, duplicating machine, duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage, and reproducing by any other means.

(c) "Direct cost" means one hundred five percent (105%) of the sum of the cost of:

- (1) the initial development of a program, if any;
- (2) the labor required to retrieve electronically stored data; and
- (3) any medium used for electronic output;

for providing a duplicate of electronically stored data onto a disk, tape, drum, or other medium of electronic data retrieval under section 8(g) of this chapter, or for reprogramming a computer system under section 6(c) of this chapter.

(d) "Electronic map" means copyrighted data provided by a public agency from an electronic geographic information system.

(e) "Enhanced access" means the inspection of a public record by a person other than a governmental entity and that:

- (1) is by means of an electronic device other than an electronic device provided by a public agency in the office of the public agency; or
- (2) requires the compilation or creation of a list or report that does not result in the permanent electronic storage of the information.

1 (f) "Facsimile machine" means a machine that electronically
2 transmits exact images through connection with a telephone network.

3 (g) "Inspect" includes the right to do the following:

4 (1) Manually transcribe and make notes, abstracts, or memoranda.

5 (2) In the case of tape recordings or other aural public records, to
6 listen and manually transcribe or duplicate, or make notes,
7 abstracts, or other memoranda from them.

8 (3) In the case of public records available:

9 (A) by enhanced access under section 3.5 of this chapter; or

10 (B) to a governmental entity under section 3(c)(2) of this
11 chapter;

12 to examine and copy the public records by use of an electronic
13 device.

14 (4) In the case of electronically stored data, to manually transcribe
15 and make notes, abstracts, or memoranda or to duplicate the data
16 onto a disk, tape, drum, or any other medium of electronic
17 storage.

18 (h) "Investigatory record" means information compiled in the course
19 of the investigation of a crime.

20 (i) "Patient" has the meaning set out in IC 16-18-2-272(d).

21 (j) "Person" means an individual, a corporation, a limited liability
22 company, a partnership, an unincorporated association, or a
23 governmental entity.

24 (k) "Provider" has the meaning set out in ~~IC 16-18-2-295(a)~~
25 **IC 16-18-2-295(b)** and includes employees of the state department of
26 health or local boards of health who create patient records at the
27 request of another provider or who are social workers and create
28 records concerning the family background of children who may need
29 assistance.

30 (l) "Public agency" means the following:

31 (1) Any board, commission, department, division, bureau,
32 committee, agency, office, instrumentality, or authority, by
33 whatever name designated, exercising any part of the executive,
34 administrative, judicial, or legislative power of the state.

35 (2) Any:

36 (A) county, township, school corporation, city, or town, or any
37 board, commission, department, division, bureau, committee,
38 office, instrumentality, or authority of any county, township,
39 school corporation, city, or town;

40 (B) political subdivision (as defined by IC 36-1-2-13); or

41 (C) other entity, or any office thereof, by whatever name
42 designated, exercising in a limited geographical area the
43 executive, administrative, judicial, or legislative power of the
44 state or a delegated local governmental power.

45 (3) Any entity or office that is subject to:

46 (A) budget review by either the department of local
47 government finance or the governing body of a county, city,
48 town, township, or school corporation; or

49 (B) an audit by the state board of accounts.

50 (4) Any building corporation of a political subdivision that issues
51 bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) Any law enforcement agency, which means an agency or a department of any level of government that engages in the investigation, apprehension, arrest, or prosecution of alleged criminal offenders, such as the state police department, the police or sheriff's department of a political subdivision, prosecuting attorneys, members of the excise police division of the alcohol and tobacco commission, conservation officers of the department of natural resources, gaming agents of the Indiana gaming commission, **gaming control officers of the Indiana gaming commission**, and the security division of the state lottery commission.

(7) Any license branch staffed by employees of the bureau of motor vehicles commission under IC 9-16.

(8) The state lottery commission established by IC 4-30-3-1, including any department, division, or office of the commission.

(9) The Indiana gaming commission established under IC 4-33, including any department, division, or office of the commission.

(10) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(m) "Public record" means any writing, paper, report, study, map, photograph, book, card, tape recording, or other material that is created, received, retained, maintained, or filed by or with a public agency and which is generated on paper, paper substitutes, photographic media, chemically based media, magnetic or machine readable media, electronically stored data, or any other material, regardless of form or characteristics.

(n) "Standard-sized documents" includes all documents that can be mechanically reproduced (without mechanical reduction) on paper sized eight and one-half (8 ½) inches by eleven (11) inches or eight and one-half (8 ½) inches by fourteen (14) inches.

(o) "Trade secret" has the meaning set forth in IC 24-2-3-2.

(p) "Work product of an attorney" means information compiled by an attorney in reasonable anticipation of litigation. The term includes the attorney's:

(1) notes and statements taken during interviews of prospective witnesses; and

(2) legal research or records, correspondence, reports, or memoranda to the extent that each contains the attorney's opinions, theories, or conclusions.

This definition does not restrict the application of any exception under section 4 of this chapter.

SECTION 58. IC 6-2.5-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The department may, for good cause, revoke a certificate issued under section 1, 3, or 4 of this chapter. However, the department must give the certificate holder at least five (5) days notice before it revokes the certificate under this subsection.

(b) The department shall revoke a certificate issued under section 1, 3, or 4 of this chapter if, for a period of three (3) years, the certificate holder fails to:

- (1) file the returns required by IC 6-2.5-6-1; or
- (2) report the collection of any state gross retail or use tax on the returns filed under IC 6-2.5-6-1.

However, the department must give the certificate holder at least five (5) days notice before it revokes the certificate.

(c) The department may, for good cause, revoke a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if:

- (1) the certificate holder is subject to an innkeeper's tax under IC 6-9; and
- (2) a board, bureau, or commission established under IC 6-9 files a written statement with the department.

(d) The statement filed under subsection (c) must state that:

- (1) information obtained by the board, bureau, or commission under IC 6-8.1-7-1 indicates that the certificate holder has not complied with IC 6-9; and
- (2) the board, bureau, or commission has determined that significant harm will result to the county from the certificate holder's failure to comply with IC 6-9.

(e) The department shall revoke or suspend a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if:

- (1) the certificate holder owes taxes, penalties, fines, interest, or costs due under IC 6-1.1 that remain unpaid at least sixty (60) days after the due date under IC 6-1.1; and
- (2) the treasurer of the county to which the taxes are due requests the department to revoke or suspend the certificate.

(f) The department shall reinstate a certificate suspended under subsection (e) if the taxes and any penalties due under IC 6-1.1 are paid or the county treasurer requests the department to reinstate the certificate because an agreement for the payment of taxes and any penalties due under IC 6-1.1 has been reached to the satisfaction of the county treasurer.

(g) The department shall revoke a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if the department finds in a public hearing by a preponderance of the evidence that the certificate holder has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

SECTION 59. IC 6-8.1-3-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) The department shall enter a memorandum of understanding with the Indiana gaming commission authorizing the commission's unlawful gaming enforcement division to conduct actions to revoke retail merchant certificates under IC 6-2.5-8-7(g) in the manner specified in the memorandum of understanding.

(b) A memorandum of understanding entered into under this section must comply with the requirements of IC 4-33-19-8.

(c) The memorandum of understanding required by this section must be entered into before January 1, 2008.

SECTION 60. IC 7.1-2-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. ~~Investigations.~~ (a) The commission shall have the power to investigate the violation of a provision of this title and of the rules and regulations of the commission and to report its findings to the prosecuting attorney or the grand jury of the county in which the violation ~~occured~~, occurred, or to the attorney general.

(b) The commission shall enter a memorandum of understanding with the Indiana gaming commission authorizing the commission's unlawful gaming enforcement division to conduct revocation actions resulting from suspected violations of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 as authorized by the following statutes:

(1) IC 7.1-3-18.5-5(c).

(2) IC 7.1-3-23-2(b).

(3) IC 7.1-3-23-5.

(c) A memorandum of understanding entered into under this section must comply with the requirements of IC 4-33-19-8.

(d) The memorandum of understanding required by this section must be entered into before January 1, 2008.

SECTION 61. IC 7.1-3-18.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Subject to subsection (b), the commission may suspend the certificate of a person who fails to pay a civil penalty imposed for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11.5, or IC 35-46-1-11.7.

(b) Before enforcing the imposition of a civil penalty or suspending or revoking a certificate under this chapter, the commission shall provide written notice of the alleged violation to the certificate holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension to the certificate holder.

(c) Subject to subsection (b), the commission shall revoke the certificate of a person upon a finding by a preponderance of the evidence that the person has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

SECTION 62. IC 7.1-3-23-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. ~~Fine, Suspension, and Revocation. General.~~ (a) The commission may fine, suspend, or revoke the permit, or fine and suspend or revoke, the permit of a permittee for the violation of a provision of this title or of a rule or regulation of the commission. The commission may fine a permittee for each day the violation continues if the violation is of a continuing nature.

(b) The commission shall revoke the permit of a permittee for the violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4. A finding that a permittee has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be supported by a preponderance of the evidence.

SECTION 63. IC 7.1-3-23-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. ~~Revocation of~~

~~Permits. General:~~ The commission shall revoke a permit of any type only on account of the violation of, or refusal to comply with, a provision of this title or of a rule or regulation of the commission, ~~or on account of a violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.~~ A finding that a permittee has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be supported by a preponderance of the evidence.

SECTION 64. IC 35-45-5-1, AS AMENDED BY P.L.70-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) ~~As used in~~ The definitions in this section apply throughout this chapter.

(b) "Electronic gaming device" means any electromechanical device, electrical device, or machine that satisfies at least one (1) of the following requirements:

(1) It is a contrivance which for consideration affords the player an opportunity to obtain money or other items of value, the award of which is determined by chance even if accomplished by some skill, whether or not the prize is automatically paid by the contrivance.

(2) It is a slot machine or any simulation or variation of a slot machine.

(3) It is a matchup or lineup game machine or device operated for consideration, in which two (2) or more numerals, symbols, letters, or icons align in a winning combination on one (1) or more lines vertically, horizontally, diagonally, or otherwise, without assistance by the player. The use of a skill stop is not considered assistance by the player.

(4) It is a video game machine or device operated for consideration to play poker, blackjack, any other card game, keno, or any simulation or variation of these games, including any game in which numerals, numbers, or pictures, representations, or symbols are used as an equivalent or substitute for the cards used in these games.

The term does not include a toy crane machine or any other device played for amusement that rewards a player exclusively with a toy, a novelty, candy, other noncash merchandise, or a ticket or coupon redeemable for a toy, a novelty, or other noncash merchandise that has a wholesale value of not more than the lesser of ten (10) times the amount charged to play the amusement device one (1) time or twenty-five dollars (\$25).

(c) "Gain" means the direct realization of winnings.

(d) "Gambling" means risking money or other property for gain, contingent in whole or in part upon lot, chance, or the operation of a gambling device; but it does not include participating in:

(1) bona fide contests of skill, speed, strength, or endurance in which awards are made only to entrants or the owners of entries; or

(2) bona fide business transactions that are valid under the law of contracts.

(e) "Gambling device" means:

(1) a mechanism by the operation of which a right to money or

other property may be credited, in return for consideration, as the result of the operation of an element of chance;

(2) a mechanism that, when operated for a consideration, does not return the same value or property for the same consideration upon each operation;

(3) a mechanism, furniture, fixture, construction, or installation designed primarily for use in connection with professional gambling;

(4) a policy ticket or wheel; or

(5) a subassembly or essential part designed or intended for use in connection with such a device, mechanism, furniture, fixture, construction, or installation.

In the application of this definition, an immediate and unrecorded right to replay mechanically conferred on players of pinball machines and similar amusement devices is presumed to be without value.

(f) "Gambling information" means:

(1) a communication with respect to a wager made in the course of professional gambling; or

(2) information intended to be used for professional gambling.

(g) "Interactive computer service" means an Internet service, an information service, a system, or an access software provider that provides or enables computer access to a computer served by multiple users. The term includes the following:

(1) A service or system that provides access or is an intermediary to the Internet.

(2) A system operated or services offered by a library, school, state educational institution (as defined in IC 20-12-0.5-1), or private college or university.

(h) "Operator" means a person who owns, maintains, or operates an Internet site that is used for interactive gambling.

(i) "Profit" means a realized or unrealized benefit (other than a gain) and includes benefits from proprietorship or management and unequal advantage in a series of transactions.

(j) "Tournament" means a contest in which:

(1) the consideration to enter the contest may take the form of a separate entry fee or the deposit of the required consideration to play in any manner accepted by the:

(A) video golf machine; or

(B) pinball machine or similar amusement device described in subsection (m)(2);

on which the entrant will compete;

(2) each player's score is recorded; and

(3) the contest winner and other prize winners are determined by objectively comparing the recorded scores of the competing players.

(k) "Toy crane machine" means a device that is used to lift prizes from an enclosed space by manipulating a mechanical claw.

(l) For purposes of this chapter:

(1) a card game; or

(2) an electronic version of a card game;

is a game of chance and may not be considered a bona fide contest

1 of skill.

2 (m) In the application of the definition of gambling set forth in
3 subsection (d), the payment of consideration to participate in a
4 tournament conducted on:

5 (1) video golf games; or

6 (2) pinball machines and similar amusement devices that
7 award no prizes other than to mechanically confer an
8 immediate and unrecorded right to replay on players that is
9 presumed to be without value under this section;

10 is not considered gambling even if the value of a prize awarded in
11 the course of the tournament exceeds the amount of the player's
12 consideration.

13 SECTION 65. IC 35-45-5-3, AS AMENDED BY P.L.70-2005,
14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2007]: Sec. 3. (a) A person who knowingly or intentionally:

16 (1) engages in pool-selling;

17 (2) engages in bookmaking;

18 (3) maintains, in a place accessible to the public, slot machines,
19 one-ball machines or variants thereof, pinball machines that
20 award anything other than an immediate and unrecorded right of
21 replay, roulette wheels, dice tables, or money or merchandise
22 pushcards, punchboards, jars, or spindles;

23 (4) conducts lotteries or policy or numbers games or sells chances
24 therein;

25 (5) conducts any banking or percentage games played with cards,
26 dice, or counters, or accepts any fixed share of the stakes therein;
27 or

28 (6) accepts, or offers to accept, for profit, money, or other
29 property risked in gambling;

30 commits professional gambling, a Class D felony. **However, the**
31 **offense is a Class C felony if the person has a prior unrelated**
32 **conviction under this subsection.**

33 (b) An operator who knowingly or intentionally uses the Internet to:

34 (1) engage in pool-selling:

35 (A) in Indiana; or

36 (B) in a transaction directly involving a person located in
37 Indiana;

38 (2) engage in bookmaking:

39 (A) in Indiana; or

40 (B) in a transaction directly involving a person located in
41 Indiana;

42 (3) maintain, on an Internet site accessible to residents of Indiana,
43 the equivalent of:

44 (A) slot machines;

45 (B) one-ball machines or variants of one-ball machines;

46 (C) pinball machines that award anything other than an
47 immediate and unrecorded right of replay;

48 (D) roulette wheels;

49 (E) dice tables; or

50 (F) money or merchandise pushcards, punchboards, jars, or
51 spindles;

(4) conduct lotteries or policy or numbers games or sell chances in lotteries or policy or numbers games:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana;

(5) conduct any banking or percentage games played with the computer equivalent of cards, dice, or counters, or accept any fixed share of the stakes in those games:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana; or

(6) accept, or offer to accept, for profit, money or other property risked in gambling:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana;

commits professional gambling over the Internet, a Class D felony.

SECTION 66. IC 35-45-5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) Except as provided in subsection (c), a person who possesses an electronic gaming device commits a Class A infraction.**

(b) A person who knowingly or intentionally accepts or offers to accept for profit, money, or other property risked in gambling on an electronic gaming device possessed by the person commits maintaining a professional gambling site, a Class D felony. However, the offense is a Class C felony if the person has a prior unrelated conviction under this subsection.

(c) Subsection (a) does not apply to a person who:

(1) possesses an antique slot machine;

(2) restricts display and use of the antique slot machine to the person's private residence; and

(3) does not use the antique slot machine for profit.

(d) As used in this section, "antique slot machine" refers to a slot machine that is:

(1) at least forty (40) years old; and

(2) possessed and used for decorative, historic, or nostalgic purposes.

SECTION 67. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4. (a) Except as provided in subsection subsections (b) and (d), a person who:**

(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;

(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or

(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for

professional gambling;
 commits promoting professional gambling, a Class D felony. **However, the offense is a Class C felony if the person has a prior unrelated conviction under this section.**

(b) Subsection (a)(1) does not apply to a boat manufacturer who:

(1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and

(2) does not display the gambling device to the general public or make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

(d) Subsection (a)(1) does not apply to a person who:

(1) possesses an antique slot machine;

(2) restricts display and use of the antique slot machine to the person's private residence; and

(3) does not use the antique slot machine for profit.

(e) As used in this section, "antique slot machine" refers to a slot machine that is:

(1) at least forty (40) years old; and

(2) possessed and used for decorative, historic, or nostalgic purposes.

SECTION 68. IC 35-45-6-1, AS AMENDED BY P.L.151-2006, SECTION 17, AND AS AMENDED BY P.L.173-2006, SECTION 53, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. **As used in (a) The definitions in this section apply throughout this chapter:**

(b) "Documentary material" means any document, drawing, photograph, recording, or other tangible item containing compiled data from which information can be either obtained or translated into a usable form.

(c) "Enterprise" means:

(1) a sole proprietorship, corporation, limited liability company, partnership, business trust, or governmental entity; or

(2) a union, an association, or a group, whether a legal entity or merely associated in fact.

(d) "Pattern of racketeering activity" means engaging in at least two (2) incidents of racketeering activity that have the same or similar intent, result, accomplice, victim, or method of commission, or that are otherwise interrelated by distinguishing characteristics that are not isolated incidents. However, the incidents are a pattern of racketeering activity only if at least one (1) of the incidents occurred after August 31, 1980, and if the last of the incidents occurred within five (5) years

after a prior incident of racketeering activity.

(e) "Racketeering activity" means to commit, to attempt to commit, to conspire to commit a violation of, or aiding and abetting in a violation of any of the following:

(1) A provision of IC 23-2-1, or of a rule or order issued under IC 23-2-1.

(2) A violation of IC 35-45-9.

(3) A violation of IC 35-47.

(4) A violation of IC 35-49-3.

(5) Murder (IC 35-42-1-1).

(6) Battery as a Class C felony (IC 35-42-2-1).

(7) Kidnapping (IC 35-42-3-2).

(8) *Human and sexual trafficking crimes (IC 35-42-3.5).*

~~(8)~~ (9) Child exploitation (IC 35-42-4-4).

~~(9)~~ (10) Robbery (IC 35-42-5-1).

~~(10)~~ (11) Carjacking (IC 35-42-5-2).

~~(11)~~ (12) Arson (IC 35-43-1-1).

~~(12)~~ (13) Burglary (IC 35-43-2-1).

~~(13)~~ (14) Theft (IC 35-43-4-2).

~~(14)~~ (15) Receiving stolen property (IC 35-43-4-2).

~~(15)~~ (16) Forgery (IC 35-43-5-2).

~~(16)~~ (17) Fraud (IC 35-43-5-4(1) through IC 35-43-5-4(9)).

~~(17)~~ (18) Bribery (IC 35-44-1-1).

~~(18)~~ (19) Official misconduct (IC 35-44-1-2).

~~(19)~~ (20) Conflict of interest (IC 35-44-1-3).

~~(20)~~ (21) Perjury (IC 35-44-2-1).

~~(21)~~ (22) Obstruction of justice (IC 35-44-3-4).

~~(22)~~ (23) Intimidation (IC 35-45-2-1).

~~(23)~~ (24) Promoting prostitution (IC 35-45-4-4).

(25) Professional gambling (IC 35-45-5-3).

(26) **Maintaining a professional gambling site (IC 35-45-5-3.5(b)).**

~~(24)~~ ~~(25)~~ (27) Promoting professional gambling (IC 35-45-5-4).

~~(25)~~ ~~(26)~~ (28) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

~~(26)~~ ~~(27)~~ (29) Dealing in *or manufacturing* methamphetamine (IC 35-48-4-1.1).

~~(27)~~ ~~(28)~~ (30) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

~~(28)~~ ~~(29)~~ (31) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

~~(29)~~ ~~(30)~~ (32) Dealing in a schedule V controlled substance (IC 35-48-4-4).

~~(30)~~ ~~(31)~~ (33) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

~~(31)~~ ~~(32)~~ (34) Money laundering (IC 35-45-15-5).

~~(32)~~ (33) (35) A violation of IC 35-47.5-5.

SECTION 69. IC 35-47-4.5-3, AS AMENDED BY P.L.1-2006, SECTION 536, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "public safety officer" means:

- 1 (1) a state police officer;
- 2 (2) a county sheriff;
- 3 (3) a county police officer;
- 4 (4) a correctional officer;
- 5 (5) an excise police officer;
- 6 (6) a county police reserve officer;
- 7 (7) a city police officer;
- 8 (8) a city police reserve officer;
- 9 (9) a conservation enforcement officer;
- 10 (10) a gaming agent;
- 11 (11) a town marshal;
- 12 (12) a deputy town marshal;
- 13 (13) a state university police officer appointed under
- 14 IC 20-12-3.5;
- 15 (14) a probation officer;
- 16 (15) a firefighter (as defined in IC 9-18-34-1);
- 17 (16) an emergency medical technician; or
- 18 (17) a paramedic; or
- 19 (18) a member of a consolidated law enforcement department
- 20 established under IC 36-3-1-5.1; or
- 21 (19) a gaming control officer.

22 SECTION 70. THE FOLLOWING ARE REPEALED [EFFECTIVE
23 JULY 1, 2007]: IC 4-32.2-5-7; IC 35-33-5-5.1.

24 SECTION 71. [EFFECTIVE JULY 1, 2007] (a) IC 35-45-5-3 and
25 IC 35-45-5-4, both as amended by this act, apply only to crimes
26 committed after June 30, 2007.

27 (b) IC 35-45-5-3.5, as added by this act, applies only to crimes
28 and infractions committed after June 30, 2007.

29 SECTION 72. [EFFECTIVE JULY 1, 2007] (a) IC 35-45-6-1, as
30 amended by this act, applies only to crimes committed after June
31 30, 2007.

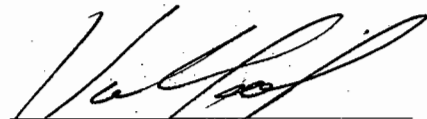
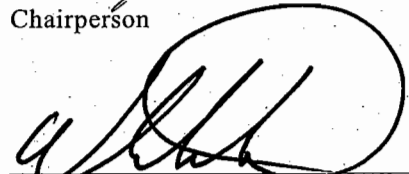
32 SECTION 73. [EFFECTIVE UPON PASSAGE] Notwithstanding
33 any other law, including any part of an act enacted by the general
34 assembly in the 2007 session, excess money returned by a county to
35 the state from the property tax refunds appropriation made by
36 HEA 1001-2007 for the state fiscal year beginning July 1, 2007,
37 shall be deposited in the property tax reduction trust fund and used
38 as provided in HEA 1001-2007, SECTION 10.

39 SECTION 74. An emergency is declared for this act.

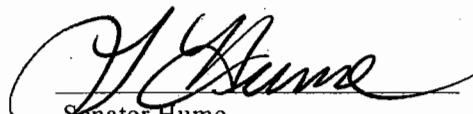
(Reference is to EHB 1510 as reprinted April 11, 2007.)

Conference Committee Report
on
Engrossed House Bill 1510

Signed by:


Representative Van Haaften
Chairperson
Representative Whetstone

House Conferees


Senator Merritt
Senator Hume

Senate Conferees

